

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
And)
GOSHEN UTILITIES, INC.)
_____) CASE NO. 99-042
)
INVESTIGATION INTO ALLEGED UNSAFE UTILITY)
PRACTICES)

ORDER

This proceeding involves Louisville Gas and Electric Company's (LG&E) use of directional boring in areas where the location of Goshen Utilities (Goshen) sewer facilities is unknown. At issue is whether each utility's failure to inspect its facilities to ensure that LG&E gas mains have not pierced Goshen sewer lines constitutes an unsafe practice. Based upon its review of the record, we find that the practice is unsafe and that a potential safety hazard currently exists in the Lakeview Subdivision of Oldham County, Kentucky. By this Order, we direct both utilities to inspect the facilities in question to ensure their structural integrity.

PROCEDURE

On February 9, 1999, the Commission ordered LG&E and Goshen to show cause why certain conditions regarding Goshen's sewer service lines and LG&E's gas main within the Lakewood Subdivision of Oldham County, Kentucky, did not constitute unsafe, improper and unreasonable practice[s] that should be immediately remedied. We further directed both utilities to respond in writing to the allegations contained in our

Order. On February 25, 1999, after the parties responded to the Commission's Order to Show Cause, the Commission held a public hearing. At this hearing, James William Rush III, LG&E's Manager of Gas Distribution, and Lloyd Eades, Goshen's President, testified.

STATEMENT OF THE CASE

Directional boring is an alternative means of installing or replacing underground gas mains with only minimal site disruption or restoration costs. It has two stages. In the first stage, a steerable drill head bores a pilot hole to a pre-designated point. In stage two, the drill head is removed and is replaced with a reamer to enlarge the hole and a swivel that attaches to the pipe. At this point the entire assembly is pulled back through the pilot hole. No trenches are dug nor is any landscaping disturbed.

LG&E makes extensive use of directional boring to install gas mains in established neighborhoods and to replace existing mains.¹ It maintains that the technique reduces installation costs and increases customer satisfaction. LG&E has promulgated internal guidelines, which are based upon the Gas Research Institute's guidelines, for its employees and contractors to follow when using this technique.

Using directional boring, LG&E in February 1998 began installing natural gas mains in the Lakeview Subdivision of northern Oldham County. During the first phase of this project, LG&E installed approximately 4,300 feet of gas main to 56 customers within the subdivision. Hall Contracting, a construction contractor, performed the actual installation. Shortly before beginning this installation, LG&E contacted Goshen and

¹ LG&E annually installs 13 miles of gas main to established neighborhoods using this technique. Since 1996 it has replaced over 70 miles of existing gas mains through the use of directional boring.

requested that its representative be present during the installation to assist in the location of Goshen's sewer mains. (Goshen owns and operates gravity fed sewers that serve the Lakeview Subdivision.) A Goshen representative was on site during the installation.

Shortly after LG&E began its extension to Lakeview Subdivision, three residents complained to Goshen of sewer stoppages. These stoppages were the result of the gas main installation. When installing the gas mains, LG&E's contractors had unknowingly pierced Goshen's gravity fed sewer lines. The newly installed gas main blocked these lines.

The blockage poses a serious safety problem. Homeowners' efforts to remove a sewer line stoppage may result in the rupture of the gas main. Natural gas could then seep into the home through the sewer and create the potential for a gas explosion. Recognizing the potential safety hazard, Goshen contacted all homeowners in the area and advised them to contact the utility before attempting to clear their sewer lines. It also reported the problem to LG&E's contractor. LG&E subsequently provided written notice of the problem to the affected customers. Of the 56 residences involved in the first phase of the main extension project, LG&E can confirm the safe installation of only 34 residences.² These residences include all residences located on the opposite side of the road or street from the gas main and the three residences that experienced sewer line blockages.

Logistical problems have prevented LG&E and Goshen from inspecting the remaining lines. Goshen's sewer lines are plastic and are not easily detectable.

² Transcript of February 26, 1999 Hearing (Transcript) at 72.

Goshen, moreover, does not have accurate records of its sewer lines location. The only means of locating the sewer service lines are to unearth each sewer service or use a metallic snake and metal detection equipment. Unearthing the sewer service lines is expensive and disruptive. Use of a metallic snake requires access to the customers home. Such access is generally not available during normal business hours.

In September 1998, LG&E resumed gas main extensions to the Lakeview Subdivision. During this phase of the extension, LG&E installed 3,600 feet of gas main to 56 customers. Southern Pipeline, a construction contractor, performed the installation. Prior to installation, LG&E attempted to locate Goshen's sewer lines using a pothole technique. When this proved unsuccessful, Southern Pipeline began installing the gas main using the directional boring technique. After learning of Southern Pipeline's action, LG&E ordered a halt to the use of this technique and directed that conventional trenching be used for the remainder of the project. Nine residences were affected by the use of the directional boring technique. LG&E cannot confirm that these installations are safe.³

DISCUSSION

Both utilities agree that a potential safety hazard currently exists for 31 residences within the Lakeview Subdivision. They differ only on which party should bear the cost of inspecting the gas main and sewer service lines. LG&E maintains that Goshen is responsible for ascertaining the location of its sewer lines and marking those locations. It asserts that Goshen has failed to perform this duty and should bear

³ Since September 1998 LG&E has discontinued the use of directional boring in Goshen's service area to avoid repetition of this problem.

responsibility for locating its sewer lines. Goshen asserts that it has met its legal responsibilities by ascertaining the general location of its facilities.

The Commission has the authority to investigate any practice or act affecting or relating to the service of a utility that is unsafe or unreasonable. KRS 278.260(1). If, after a hearing on such practice, it determines that the practice is unsafe, improper, or inadequate, the Commission may determine the proper practice and order the utility to comply. KRS 278.280(1). The Commission, therefore, has the authority to direct both utilities to take corrective action.

Based upon the evidence of record, the Commission finds that, given the current circumstances, each utility's failure to inspect its facilities to ensure that LG&E gas mains have not pierced Goshen sewer lines constitutes an unsafe condition. Until they are thoroughly inspected, the 31 uninspected sewer services represent a potential safety hazard. We further find that, within 10 days, LG&E and Goshen Utilities should, prepare and file with us a plan for joint inspections of the sewer and gas facilities in question. Within 30 days of filing this plan, they should complete their inspection and report to us the results of this inspection.

In our opinion, this situation is likely to recur unless the parties change their current operating methods. Accordingly, we find that Goshen should develop a plan for locating and mapping its existing facilities and file such plan with the Commission within 60 days. We further find that LG&E should cease using directional boring for gas main extensions in Goshen's service area until Goshen's sewer facilities are located and mapped. Finally, when LG&E uses directional boring in the future to extend its gas

mains, it should visually confirm for each intersection of a sewer service line and gas main that the installation did not result in any damage to either facility.

IT IS THEREFORE ORDERED that:

1. Within 10 days of the date of this Order, LG&E shall file with the Commission a detailed map of its gas main extensions to the Lakewood Subdivision of Oldham County, Kentucky.⁴ This map shall clearly indicate:

a. The residences whose sewer service lines were potentially damaged by the main extension.

b. The residences whose sewer service lines have been inspected by LG&E or have otherwise been determined to be unaffected by the main extension and the date on which the inspection or determination was made. For each residence whose sewer service line was not inspected, LG&E shall state how it determined that the line was unaffected.

2. Within 10 days of the date of this Order, LG&E and Goshen Utilities shall prepare and file with the Commission a plan for joint inspections of the 31 sewer service lines previously identified as potential safety hazards. This plan shall provide for the least destructive means of inspection and shall include visual confirmation that no damage has occurred to the sewer service lines or gas main.

3. Within 30 days of submission of their plan for joint inspection, LG&E and Goshen shall complete their joint inspection of the affected sewer service lines.

⁴ During the hearing in this matter, LG&E represented to the Commission that this information would be provided within 7 days. Transcript at 73-75, 130. As of the date of this Order, LG&E has yet to provide this information.

4. At least 24 hours prior to commencing their joint inspections, LG&E and Goshen shall notify the Director of the Commission's Engineering Division by telephone of the time and location of the joint inspections.

5. Within 60 days of the date of this Order, Goshen shall file with the Commission a written plan for locating and mapping its existing sewer facilities. This plan for such mapping shall enable Goshen to determine the approximate location of its sewer facilities. This plan shall further provide that all sewer facilities shall be located and mapped within 180 days of the date of this Order.

6. LG&E shall cease its use of directional boring for gas main extensions in Goshen's service area until Goshen's sewer facilities have been located and mapped.

7. When using directional boring to make gas main extensions, LG&E shall henceforth visually inspect the intersection of each sewer service facility and gas main to determine if any damage to either facility has occurred.

Done at Frankfort, Kentucky, this 24th day of August, 1999.

By the Commission

ATTEST:

Executive Director